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March 31, 2005

PG&E Letter DCL-05-026

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

Docket No. 50-275, OL-DPR-80  
Docket No. 50-323, OL-DPR-82  
Diablo Canyon Power Plant Units 1 and 2  
Decommissioning Funding Report for Diablo Canyon Power Plant Units 1 and 2

Dear Commissioners and Staff:

PG&E is submitting the Decommissioning Funding Report for Diablo Canyon Power Plant (DCPP) Units 1 and 2, pursuant to the requirements of 10 CFR 50.75(f).

Diablo Canyon Power Plants Units 1 and 2

At the end of calendar year 2004, the market value of the DCPP Units 1 (3411 MWt) and 2 (3411 MWt) decommissioning trust fund was \$1,518.5 million (2004 dollars). Based on the site-specific decommissioning cost estimate prepared by TLG Services, Inc. and adjusted per the Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) Decision 03-10-014 from the California Public Utilities Commission (CPUC), PG&E is confident that the DCPP Units 1 and 2 decommissioning trust fund balance in 2021 and 2025 will meet the minimum NRC decommissioning amount of \$854.4 million (2005 dollars) that was calculated pursuant to the requirements specified in 10 CFR 50.75(c).

Supporting Cost Estimates

Based on site-specific cost estimates prepared by TLG Services, Inc., PG&E has estimated that the decommissioning costs are approximately \$1,156.1 million for DCPP Units 1 and 2 in 2005 dollars. These costs do not include dismantling or demolishing the non-nuclear portions of the facility.

To assure that sufficient funds will be available for decommissioning, PG&E has established separate external sinking trust fund accounts for DCPP Units 1 and 2.

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Supporting Enclosures

Enclosures 1 through 4 provide the supporting documentation for this report.

Enclosure 1 provides decommissioning funding status information in a format suggested by NEI and the NRC. Enclosure provides cost estimates for decommissioning of both nuclear and non-nuclear facilities, including the Independent Spent Fuel Storage Installation (ISFSI).

Enclosure 2 provides information on the escalation of the required decommissioning funding amounts from 1986 dollars to 20-05 dollars. As required by 10 CFR 50.75(c)(2), and using NUREG 1577, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," Revision 1 and NUREG 1307, "Report on Waste Burial Charges," Revision 10, the information includes escalation factors for energy, labor, and waste burial costs.

Enclosure 3 is the TLG Services, Inc. decommissioning cost study prepared in February 2002 for PG&E for DCPD Units 1 and 2. The report provides cost estimates (in 2002 dollars) for decommissioning of both the nuclear and non-nuclear facilities.

Enclosure 4 presents an update of decommissioning cost estimates, provided in Enclosure 3 to reflect 2005 dollars. The TLG Services, Inc. cost estimates have been adjusted to reflect the costs in 2005 dollars by applying escalation factors as adopted in CPUC Decision 03-10-014; adjusting the burial costs of Class A Low Level Radioactive Waste (LLRW) from \$450 per cubic foot to \$200 per cubic foot; and reducing the contingency from 40 percent to 35 percent.

Sincerely,

Gregory M. Rueger  
*Senior Vice President -Generation and Chief Nuclear Officer*

swh2/R0257534

Enclosures

cc: Bruce S. Mallett  
David Proulx  
Girija Shukla  
INPO  
Diablo Distribution

**NRC Decommissioning Funding Status Report  
Diablo Canyon Power Plant - Units 1 (3411 MWt) & 2 (3411 MWt)**

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns.

1. The minimum decommissioning fund estimate,  
pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>  
January 2005 dollars \$ in Millions  
\$ 854.4
  
2. The amount accumulated at the end of the calendar year preceding  
the date of the report for items included in 10 CFR 50.75 (b) and (c).  
(Alternatively, the total amount accumulated at the end of the  
calendar year preceding the date of the report can be reported here if  
the cover letter transmitting the report provides the total estimate and  
indicates what portion of that estimate is for items not included in  
10 CFR 50.75 (b) and (c)).  
Market Value (December 2004 dollars) \$ 1,518.5
  
3. A schedule of the annual amounts remaining to be collected;  
for items in 10 CFR 50.75 (b) and (c). (Alternatively, the annual  
amounts remaining to be collected can include items beyond those  
required in 10 CFR 50.75 (b) and (c) if the cover letter  
transmitting the report provides a total cost estimate and  
indicates what portion of that estimate is for items that are not  
included in 10 CFR 50.75 (b) and (c). (See item 6 of this enclosure  
describing the collection of additional funds)  

Unit 1  
amount remaining \$ 0

  

Unit 2  
amount remaining \$ 0

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<sup>1</sup> • The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds (anticipates that the portfolio of each trust will be gradually converted to a more conservative all income portfolio in 2016 for Unit 1 and 2018 for Unit 2), and rates of other factors used in funding projections;

Escalation in decommissioning costs	5.5 percent
Rate of Return on Qualified Trust Unit 1 (thought 2016)	6.34 percent
Rate of Return on Qualified Trust Unit 1 2017	6.05 percent
Rate of Return on Qualified Trust Unit 1 2018	5.76 percent
Rate of Return on Qualified Trust Unit 1 2019	5.47 percent
Rate of Return on Qualified Trust Unit 1 2020	5.18 percent
Rate of Return on Qualified Trust Unit 1 (Post 2020)	4.89 percent
Rate of Return on Qualified Trust Unit 2 (through 2018)	6.34 percent
Rate of Return on Qualified Trust Unit 2 2019	6.05 percent
Rate of Return on Qualified Trust Unit 2 2020	5.76 percent
Rate of Return on Qualified Trust Unit 2 2021	5.47 percent
Rate of Return on Qualified Trust Unit 2 2022	5.18 percent
Rate of Return on Qualified Trust Unit 2 (Post 2022)	4.89 percent

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v);

NONE

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report.

California Public Utilities Commission (CPUC) Decision 03-10-014 dated October 2, 2003, ordered no additional revenue requirement is authorized for decommissioning Diablo Canyon Nuclear Power Plant Units 1 & 2

7. Any material changes to trust agreements.

NONE

8. CPUC Submittal in 2005 Dollars in Millions

Total Project (Decommission 2021 & 2025)	\$ 1,695.2
Scope Excluded from NRC calculations	<u>\$ 539.1</u>
Total NRC Decommissioning Costs	\$ 1,156.1

**Decommissioning Funding Amounts From 1986 Dollars to 2005 Dollars**  
**Information on the Escalation of Funding**

# 2005 Decommissioning Estimate

Enclosure 2  
PG&E Letter DCL-05-026

## Nuclear Regulatory Commission Estimate of Decommission Costs for PWR In 2005

	DCPP PWR (millions)
Jan 1986 Estimate	210
Escalated to 1999	(Table 2.1 in NUREG 1307 Rev 10 236.5 has no value for 1999 Burial)
Escalated to 2000	(No Submittal Required)
Escalated to 2001	774.4 (\$793.4 in 2001 Submittal)
Escalated to 2002	(No Submittal Required)
Escalated to 2003	811.2 (\$809.6 in 2003 Submittal)
Escalated to 2004	(No Submittal Required)
Escalated to 2005	854.4

Jan 1986 based on 10 CFR 50.75 (c) Table of minimum amounts  
BWR based on minimum 1, 200 MWt = (\$104 + (.009xMWt)) million per unit

Composite Escalation

Enclosure 2  
PG&E Letter DCL-005-026

Calculating Overall Escalation Rate

PWR	Jan-86	Jan-99	Jan-00	Jan-01	Jan-02	Jan-03	Jan-04	Jan-05	Weight (1)	PWR Combined Escalation Rate for:							
										Jan-86	Jan-99	Jan-00	Jan-01	Jan-02	Jan-03	Jan-04	Jan-05
L (Labor)	1.0000	1.5624	1.6370	1.7183	1.7862	1.8630	1.9521	2.0033	0.65	1.0000	1.1260	3.5748	3.6874	3.7458	3.8628	3.9620	4.0685
E (Energy)	1.0000	0.8499	1.0297	1.1850	0.9909	1.2027	1.2164	1.4743	0.13								
B (Burial)	1.0000	0.0000	10.8039	10.9840	11.1633	11.3430	11.5226	11.7032	0.22								

(1) from NUREG 1307 Revision 10, Report on Waste Burial Charges, Section 2 Summary, Page 3 ... where A, B, and C are the fractions of the total 1986 dollar costs that are attributable to labor (0.65), energy (0.13), and burial (0.22), respectively, and sum to 1.0.

(2) Jan-01 B (Burial) value in this table is a calculation based on averaging the values of Jan-00 and Jan-02 because NUREG 1307 Revision 10 Table 2.1 does not supply a value for 2001.

(3) Jan-03, Jan-04, and Jan-05 (Burial) value in this table is a calculation based on averaging the values of between 2000 and 2002, then adding the average to each previous year beginning with 2002.

## Calculation of Energy Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.2

Using Regional Indices SERIES ID: WPU0573 Light Fuel Oils (as of 03/05/05) and WPU0543 Industrial Electric Power (as of 03/05/05)

REBASED TO 1986 = 100

	PPI for Fuels & Related Products (1982 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1982=100) (F) = Light Fuel Oils	PPI for Fuels & Related Products (1986 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1986=100) (F) = Light Fuel Oils	Energy Escalation Factor (E) for PWR (Diablo Canyon)
			PWR wt = 0.58	PWR wt = 0.42	
Jan-86	114.2	82.0	1.0000	1.0000	1.0000
Feb-86	115.0	82.4	1.0070	0.7610	0.9037
Mar-86	114.4	51.3	1.0018	0.8256	0.8438
Apr-86	113.7	49.8	0.9956	0.6073	0.8325
May-86	114.1	47.0	0.9991	0.5732	0.8202
Jun-86	115.3	44.7	1.0096	0.5451	0.8145
Jul-86	116.2	38.4	1.0175	0.4439	0.7766
Aug-86	116.3	40.1	1.0184	0.4890	0.7961
Sep-86	116.3	46.3	1.0184	0.5646	0.8278
Oct-86	113.0	43.1	0.9895	0.5256	0.7947
Nov-86	112.7	43.5	0.9869	0.5305	0.7952
Dec-86	112.3	45.6	0.9834	0.5561	0.8039
Jan-87	110.3	51.4	0.9658	0.6268	0.8235
Feb-87	109.8	53.1	0.9615	0.6476	0.8296
Mar-87	110.2	49.7	0.9650	0.6061	0.8142
Apr-87	109.9	52.0	0.9623	0.6341	0.8245
May-87	111.8	53.3	0.9790	0.6500	0.8408
Jun-87	113.9	55.1	0.9974	0.6720	0.8607
Jul-87	116.2	56.3	1.0175	0.6866	0.8785
Aug-87	115.7	59.4	1.0131	0.7244	0.8919
Sep-87	115.5	56.8	1.0114	0.6927	0.8775
Oct-87	111.0	59.3	0.9720	0.7232	0.8675
Nov-87	109.2	61.2	0.9562	0.7463	0.8681
Dec-87	109.6	58.1	0.9597	0.7085	0.8542
Jan-88	108.8	54.8	0.9527	0.6683	0.8333
Feb-88	109.0	51.5	0.9545	0.6280	0.8174
Mar-88	109.0	49.7	0.9545	0.6061	0.8082
Apr-88	109.1	53.3	0.9553	0.6500	0.8271
May-88	108.9	54.3	0.9536	0.6622	0.8312
Jun-88	117.2	50.6	1.0263	0.6171	0.8544
Jul-88	118.2	46.9	1.0350	0.5720	0.8405
Aug-88	118.3	46.8	1.0359	0.5707	0.8405
Sep-88	118.5	45.9	1.0377	0.5598	0.8369
Oct-88	114.2	42.3	1.0000	0.5159	0.7967
Nov-88	109.2	47.2	0.9562	0.5756	0.7964
Dec-88	110.5	50.6	0.9676	0.6171	0.8204
Jan-89	112.0	54.9	0.9807	0.6695	0.8500
Feb-89	112.0	54.0	0.9807	0.6585	0.8454
Mar-89	112.3	57.3	0.9834	0.6988	0.8638
Apr-89	112.4	61.5	0.9842	0.7500	0.8859
May-89	113.6	57.5	0.9947	0.7012	0.8715
Jun-89	119.8	53.3	1.0490	0.6500	0.8814
Jul-89	122.2	52.7	1.0701	0.6427	0.8906
Aug-89	122.4	53.5	1.0718	0.6524	0.8957
Sep-89	122.5	59.3	1.0727	0.7232	0.9259



## Calculation of Energy Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.2

Using Regional Indices SERIES ID: WPU0573 Light Fuel Oils (as of 03/05/05) and WPU0543 Industrial Electric Power (as of 03/05/05)

REBASED TO 1986 = 100

	PPI for Fuels & Related Products (1982 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1982=100) (F) = Light Fuel Oils	PPI for Fuels & Related Products (1986 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1986=100) (F) = Light Fuel Oils	Energy Escalation Factor (E) for PWR (Diablo Canyon)
Oct-89	117.2	64.0	1.0263	0.7805	0.9230
Nov-89	113.5	64.4	0.9939	0.7854	0.9063
Dec-89	114.2	68.1	1.0000	0.8305	0.9288
Jan-90	114.9	85.3	1.0061	1.0402	1.0205
Feb-90	115.0	59.4	1.0070	0.7244	0.8883
Mar-90	115.4	60.4	1.0105	0.7366	0.8955
Apr-90	115.1	61.0	1.0079	0.7439	0.8970
May-90	117.0	58.4	1.0245	0.7122	0.8933
Jun-90	123.9	53.0	1.0849	0.6463	0.9007
Jul-90	124.4	51.6	1.0893	0.6293	0.8981
Aug-90	124.6	72.3	1.0911	0.8817	1.0031
Sep-90	125.0	87.3	1.0946	1.0646	1.0820
Oct-90	121.2	104.8	1.0613	1.2780	1.1523
Nov-90	120.2	98.9	1.0525	1.2061	1.1170
Dec-90	118.9	89.3	1.0412	1.0890	1.0613
Jan-91	124.2	82.9	1.0876	1.0110	1.0554
Feb-91	124.3	74.3	1.0884	0.9061	1.0119
Mar-91	124.3	61.6	1.0884	0.7512	0.9468
Apr-91	124.7	60.0	1.0919	0.7317	0.9406
May-91	128.2	59.6	1.1226	0.7268	0.9564
Jun-91	132.6	57.6	1.1611	0.7024	0.9685
Jul-91	134.5	58.1	1.1778	0.7085	0.9807
Aug-91	133.8	62.1	1.1716	0.7573	0.9976
Sep-91	133.8	65.4	1.1716	0.7976	1.0145
Oct-91	128.3	67.6	1.1235	0.8244	0.9979
Nov-91	123.1	71.0	1.0779	0.8659	0.9889
Dec-91	125.1	62.2	1.0954	0.7585	0.9539
Jan-92	125.9	54.4	1.1025	0.6634	0.9181
Feb-92	125.3	57.3	1.0972	0.6988	0.9299
Mar-92	125.8	56.0	1.1016	0.6829	0.9257
Apr-92	124.8	59.0	1.0928	0.7195	0.9360
May-92	128.5	62.1	1.1252	0.7573	0.9707
Jun-92	134.8	65.4	1.1804	0.7976	1.0196
Jul-92	135.6	64.6	1.1874	0.7878	1.0196
Aug-92	135.1	63.3	1.1830	0.7720	1.0104
Sep-92	135.9	65.6	1.1900	0.8000	1.0262
Oct-92	131.2	68.2	1.1489	0.8317	1.0157
Nov-92	125.5	64.2	1.0989	0.7829	0.9662
Dec-92	126.7	59.4	1.1095	0.7244	0.9477
Jan-93	127.1	59.0	1.1130	0.7195	0.9477
Feb-93	126.4	60.4	1.1068	0.7366	0.9513
Mar-93	126.7	63.2	1.1095	0.7707	0.9672
Apr-93	126.8	62.4	1.1103	0.7610	0.9636
May-93	127.5	62.6	1.1165	0.7634	0.9682
Jun-93	136.9	60.8	1.1988	0.7415	1.0067
Jul-93	137.1	57.0	1.2005	0.6951	0.9883
Aug-93	137.2	54.4	1.2014	0.6634	0.9754

Calculation of Energy Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.2  
Using Regional Indices SERIES ID: WPU0573 Light Fuel Oils (as of 03/05/05) and WPU0543 Industrial Electric Power (as of 03/05/05)

	PPI for Fuels & Related Products (1982 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1982=100) (F) = Light Fuel Oils	REBASED TO 1986 = 100		Energy Escalation Factor (E) for PWR (Diablo Canyon)
			PPI for Fuels & Related Products (1986 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1986=100) (F) = Light Fuel Oils	
Sep-93	137.6	59.3	1.2049	0.7232	1.0026
Oct-93	131.9	65.4	1.1550	0.7976	1.0049
Nov-93	126.3	61.6	1.1060	0.7512	0.9570
Dec-93	126.0	51.4	1.1033	0.6268	0.9032
Jan-94	126.2	51.5	1.1051	0.6280	0.9047
Feb-94	125.9	57.5	1.1025	0.7012	0.9339
Mar-94	125.8	56.2	1.1016	0.6854	0.9268
Apr-94	125.4	54.7	1.0981	0.6671	0.9171
May-94	126.0	54.7	1.1033	0.6671	0.9201
Jun-94	133.5	54.1	1.1690	0.6598	0.9551
Jul-94	134.5	56.3	1.1778	0.6866	0.9715
Aug-94	134.5	57.5	1.1778	0.7012	0.9776
Sep-94	134.9	57.7	1.1813	0.7037	0.9807
Oct-94	129.1	57.7	1.1305	0.7037	0.9512
Nov-94	127.0	58.8	1.1121	0.7171	0.9462
Dec-94	127.4	54.7	1.1156	0.6671	0.9272
Jan-95	127.6	54.7	1.1173	0.6671	0.9282
Feb-95	128.0	53.3	1.1208	0.6500	0.9231
Mar-95	128.3	54.3	1.1235	0.6622	0.9297
Apr-95	126.4	57.1	1.1068	0.6963	0.9344
May-95	130.2	59.1	1.1401	0.7207	0.9640
Jun-95	135.3	55.8	1.1848	0.6805	0.9730
Jul-95	136.6	53.5	1.1961	0.6524	0.9678
Aug-95	136.5	55.6	1.1953	0.6780	0.9780
Sep-95	133.7	58.2	1.1708	0.7098	0.9771
Oct-95	131.4	57.8	1.1506	0.7049	0.9634
Nov-95	127.6	59.5	1.1173	0.7256	0.9528
Dec-95	127.7	60.6	1.1182	0.7390	0.9590
Jan-96	127.9	62.6	1.1200	0.7634	0.9702
Feb-96	127.1	59.7	1.1130	0.7280	0.9513
Mar-96	127.8	63.5	1.1181	0.7744	0.9743
Apr-96	129.1	74.7	1.1305	0.9110	1.0383
May-96	135.0	72.0	1.1821	0.8780	1.0544
Jun-96	137.5	62.8	1.2040	0.7659	1.0200
Jul-96	136.0	64.3	1.1909	0.7841	1.0201
Aug-96	136.2	66.5	1.1926	0.8110	1.0323
Sep-96	136.2	73.4	1.1926	0.8951	1.0677
Oct-96	131.2	79.7	1.1489	0.9720	1.0746
Nov-96	127.1	76.5	1.1130	0.9329	1.0373
Dec-96	127.7	76.1	1.1182	0.9280	1.0383
Jan-97	128.3	73.7	1.1235	0.8988	1.0291
Feb-97	128.1	72.3	1.1217	0.8817	1.0209
Mar-97	128.2	65.2	1.1226	0.7951	0.9851
Apr-97	127.3	65.3	1.1147	0.7963	0.9810
May-97	129.7	64.2	1.1357	0.7829	0.9876
Jun-97	135.1	60.8	1.1830	0.7415	0.9976
Jul-97	135.9	57.8	1.1900	0.7049	0.9863

Calculation of Energy Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.2  
Using Regional Indices SERIES ID: WPU0573 Light Fuel Oils (as of 03/05/05) and WPU0543 Industrial Electric Power (as of 03/05/05)

REBASED TO 1986 = 100					
	PPI for Fuels & Related Products (1982 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1982=100) (F) = Light Fuel Oils	PPI for Fuels & Related Products (1986 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1986=100) (F) = Light Fuel Oils	Energy Escalation Factor (E) for PWR (Diablo Canyon)
Aug-97	134.7	61.5	1.1795	0.7500	0.9991
Sep-97	136.0	60.4	1.1909	0.7366	1.0001
Oct-97	130.1	64.8	1.1392	0.7902	0.9927
Nov-97	127.9	65.8	1.1200	0.8024	0.9866
Dec-97	128.3	59.4	1.1235	0.7244	0.9559
Jan-98	127.4	54.1	1.1156	0.6598	0.9241
Feb-98	127.2	52.0	1.1138	0.6341	0.9124
Mar-98	126.7	48.3	1.1095	0.5890	0.8909
Apr-98	126.4	50.2	1.1068	0.6122	0.8991
May-98	129.2	50.0	1.1313	0.6098	0.9123
Jun-98	133.8	46.3	1.1716	0.5646	0.9167
Jul-98	134.8	45.0	1.1804	0.5488	0.9151
Aug-98	135.2	44.0	1.1839	0.5366	0.9120
Sep-98	135.2	48.3	1.1839	0.5690	0.9340
Oct-98	130.4	47.4	1.1419	0.5780	0.9051
Nov-98	127.6	46.2	1.1173	0.5634	0.8847
Dec-98	126.6	38.8	1.1086	0.4732	0.8417
Jan-99	126.1	40.9	1.1042	0.4988	0.8499
Feb-99	125.5	38.2	1.0989	0.4659	0.8330
Mar-99	125.5	42.8	1.0989	0.5220	0.8568
Apr-99	125.2	52.5	1.0963	0.6402	0.9048
May-99	127.4	52.6	1.1156	0.6415	0.9165
Jun-99	131.0	52.4	1.1471	0.6390	0.9337
Jul-99	133.9	58.7	1.1725	0.7159	0.9807
Aug-99	133.9	63	1.1725	0.7683	1.0027
Sep-99	134.1	67.6	1.1743	0.8244	1.0273
Oct-99	129.5	65.5	1.1340	0.7988	0.9932
Nov-99	127.5	71.3	1.1165	0.8695	1.0127
Dec-99	126.5	72.9	1.1077	0.8690	1.0159
Jan-00	126.8	75.3	1.1103	0.9183	1.0297
Feb-00	126.7	87.9	1.1095	1.0720	1.0937
Mar-00	126.7	89.7	1.1095	1.0939	1.1029
Apr-00	126.8	83.1	1.1103	1.0134	1.0696
May-00	126.6	82.9	1.1261	1.0110	1.0777
Jun-00	133.6	86.2	1.1699	1.0512	1.1200
Jul-00	136.2	88.7	1.1926	1.0817	1.1461
Aug-00	137.4	91.6	1.2032	1.1171	1.1670
Sep-00	137.8	110.1	1.2067	1.3427	1.2638
Oct-00	134.1	108.6	1.1743	1.3244	1.2373
Nov-00	130.9	108.4	1.1462	1.3220	1.2200
Dec-00	132.7	100.6	1.1620	1.2268	1.1892
Jan-01	136.4	96.1	1.1944	1.1720	1.1850
Feb-01	136.4	91.6	1.1944	1.1171	1.1619
Mar-01	136.5	83.1	1.1953	1.0134	1.1189
Apr-01	135.1	86.2	1.1830	1.0512	1.1277
May-01	136.2	94.2	1.1926	1.1488	1.1742
Jun-01	148.4	90.2	1.2995	1.1000	1.2157

## Calculation of Energy Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.2

Using Regional Indices SERIES ID: WPU0573 Light Fuel Oils (as of 03/05/05) and WPU0543 Industrial Electric Power (as of 03/05/05)

REBASED TO 1986 = 100

	PPI for Fuels & Related Products (1982 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1982=100) (F) = Light Fuel Oils	PPI for Fuels & Related Products (1986 = 100) (P) = Industrial Energy Power	PPI for Light Fuel Oils (1986=100) (F) = Light Fuel Oils	Energy Escalation Factor (E) for PWR (Diablo Canyon)
Jul-01	149.5	81.3	1.3091	0.9915	1.1757
Aug-01	148.9	83.2	1.3039	1.0146	1.1824
Sep-01	148.2	93	1.2977	1.1341	1.2290
Oct-01	143.8	78.8	1.2592	0.9366	1.1237
Nov-01	137.3	70.5	1.2023	0.8598	1.0584
Dec-01	136.9	56.6	1.1988	0.6902	0.9852
Jan-02	136.3	58.3	1.1935	0.7110	0.9909
Feb-02	135.4	59.6	1.1856	0.7268	0.9929
Mar-02	135.7	69.1	1.1883	0.8427	1.0431
Apr-02	135.4	76.4	1.1856	0.9317	1.0790
May-02	137.9	75	1.2075	0.9146	1.0845
Jun-02	143.6	71.4	1.2574	0.8707	1.0950
Jul-02	144.9	75.5	1.2688	0.9207	1.1226
Aug-02	145.0	77.9	1.2697	0.9500	1.1354
Sep-02	145.8	89.5	1.2767	1.0915	1.1989
Oct-02	140.0	95.1	1.2259	1.1598	1.1981
Nov-02	139.5	82.8	1.2215	1.0098	1.1326
Dec-02	139.6	84.6	1.2224	1.0317	1.1423
Jan-03	140.3	95.7	1.2285	1.1671	1.2027
Feb-03	140.6	120.4	1.2312	1.4683	1.3308
Mar-03	143.3	128.9	1.2548	1.5720	1.3880
Apr-03	144.3	98.3	1.2636	1.1988	1.2364
May-03	145.1	85.5	1.2706	1.0427	1.1749
Jun-03	148.3	87.2	1.2986	1.0634	1.1998
Jul-03	151.6	90.1	1.3275	1.0988	1.2314
Aug-03	151.3	94.1	1.3249	1.1476	1.2504
Sep-03	152.0	88.2	1.3310	1.0756	1.2237
Oct-03	147.4	97.8	1.2907	1.1927	1.2495
Nov-03	142.7	93.0	1.2496	1.1341	1.2011
Dec-03	142.9	95.8	1.2513	1.1683	1.2164
Jan-04	143.1	106.8	1.2531	1.3024	1.2738
Feb-04	143.1	100.8	1.2531	1.2293	1.2431
Mar-04	143.1	107.8	1.2531	1.3146	1.2789
Apr-04	143.1	115.2	1.2531	1.4049	1.3168
May-04	144.2	116	1.2627	1.4146	1.3265
Jun-04	152.4	111.5	1.3345	1.3598	1.3451
Jul-04	152.2	119.3	1.3327	1.4549	1.3840
Aug-04	154.0	131.1	1.3485	1.5988	1.4536
Sep-04	154.0	136.8	1.3485	1.6683	1.4828
Oct-04	146.2	161.7	1.2802	1.9720	1.5707
Nov-04	146.5	153.6	1.2828	1.8732	1.5308
Dec-04	147.9	133.4	1.2951	1.6268	1.4344
Jan-05	150.6	138.5	1.3187	1.6890	1.4743

Oct 04 through Jan 05 are Preliminary Values from PPI Indices

Calculation of Labor Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.1  
 Using Regional Indices SERIES ID: EDU 13402i (as of 03/05/05)  
 Jan '86 adjusted to reflect NUREG 1307 Rev 10 Scaling Factor for West Labor (Pg 7)

	Employment Cost Indust West Region Private Industry (1989=100)	Labor Escalation Factor
Jan-86	89.8	1.00000
Feb-86		
Mar-86		
Apr-86	90.8	1.01114
May-86		
Jun-86		
Jul-86	91.2	1.01559
Aug-86		
Sep-86		
Oct-86	91.6	1.02004
Nov-86		
Dec-86		
Jan-87	92.5	1.03007
Feb-87		
Mar-87		
Apr-87	92.6	1.03118
May-87		
Jun-87		
Jul-87	93.7	1.04343
Aug-87		
Sep-87		
Oct-87	94.1	1.04788
Nov-87		
Dec-87		
Jan-88	95.4	1.06236
Feb-88		
Mar-88		
Apr-88	96.3	1.07238
May-88		
Jun-88		
Jul-88	97	1.08018
Aug-88		
Sep-88		
Oct-88	97.7	1.08797
Nov-88		
Dec-88		
Jan-89	98.8	1.10022
Feb-89		
Mar-89		
Apr-89	100	1.11359
May-89		
Jun-89		
Jul-89	101	1.12472

Calculation of Labor Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.1  
 Using Regional Indices SERIES ID: EDU 13402i (as of 03/05/05)  
 Jan '86 adjusted to reflect NUREG 1307 Rev 10 Scaling Factor for West Labor (Pg 7)

	Employment Cost Indust West Region Private Industry (1989=100)	Labor Escalation Factor
Aug-89		
Sep-89		
Oct-89	101.8	1.13363
Nov-89		
Dec-89		
Jan-90	103.3	1.15033
Feb-90		
Mar-90		
Apr-90	104.5	1.16370
May-90		
Jun-90		
Jul-90	105.6	1.17595
Aug-90		
Sep-90		
Oct-90	106.3	1.18374
Nov-90		
Dec-90		
Jan-91	107.5	1.19710
Feb-91		
Mar-91		
Apr-91	108.9	1.21269
May-91		
Jun-91		
Jul-91	110	1.22494
Aug-91		
Sep-91		
Oct-91	110.9	1.23497
Nov-91		
Dec-91		
Jan-92	111.9	1.24610
Feb-92		
Mar-92		
Apr-92	112.9	1.25724
May-92		
Jun-92		
Jul-92	114.1	1.27060
Aug-92		
Sep-92		
Oct-92	114.9	1.27951
Nov-92		
Dec-92		
Jan-93	116.2	1.29399
Feb-93		

## Calculation of Labor Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.1

Using Regional Indices SERIES ID: EDU 13402i (as of 03/05/05)

Jan '86 adjusted to reflect NUREG 1307 Rev 10 Scaling Factor for West Labor (Pg 7)

	Employment Cost Indust West Region Private Industry (1989=100)	Labor Escalation Factor
Mar-93		
Apr-93	116.4	1.29621
May-93		
Jun-93		
Jul-93	117.8	1.31180
Aug-93		
Sep-93		
Oct-93	118.1	1.31514
Nov-93		
Dec-93		
Jan-94	119.4	1.32962
Feb-94		
Mar-94		
Apr-94	120.5	1.34187
May-94		
Jun-94		
Jul-94	121.3	1.35078
Aug-94		
Sep-94		
Oct-94	121.7	1.35523
Nov-94		
Dec-94		
Jan-95	122.6	1.36526
Feb-95		
Mar-95		
Apr-95	123.4	1.37416
May-95		
Jun-95		
Jul-95	123.9	1.37973
Aug-95		
Sep-95		
Oct-95	125	1.39198
Nov-95		
Dec-95		
Jan-96	125.9	1.40200
Feb-96		
Mar-96		
Apr-96	127.3	1.41759
May-96		
Jun-96		
Jul-96	128.3	1.42873
Aug-96		
Sep-96		

Calculation of Labor Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.1  
 Using Regional Indices SERIES ID: EDU 13402i (as of 03/05/05)  
 Jan '86 adjusted to reflect NUREG 1307 Rev 10 Scaling Factor for West Labor (Pg 7)

	Employment Cost Indust West Region Private Industry (1989=100)	Labor Escalation Factor
Oct-96	128.9	1.43541
Nov-96		
Dec-96		
Jan-97	130.3	1.45100
Feb-97		
Mar-97		
Apr-97	131.4	1.46325
May-97		
Jun-97		
Jul-97	132.5	1.47550
Aug-97		
Sep-97		
Oct-97	133.4	1.48552
Nov-97		
Dec-97		
Jan-98	135.2	1.50557
Feb-98		
Mar-98		
Apr-98	136.6	1.52116
May-98		
Jun-98		
Jul-98	138.5	1.54232
Aug-98		
Sep-98		
Oct-98	140	1.55902
Nov-98		
Dec-98		
Jan-99	140.3	1.56236
Feb-99		
Mar-99		
Apr-99	142.1	1.58241
May-99		
Jun-99		
Jul-99	143.3	1.59577
Aug-99		
Sep-99	.	
Oct-99	144.7	1.61136
Nov-99		
Dec-99		
Jan-00	147	1.63697
Feb-00		
Mar-00		
Apr-00	148.8	1.65702



Calculation of Labor Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.1

Using Regional Indices SERIES ID: EDU 13402i (as of 03/05/05)

Jan '86 adjusted to reflect NUREG 1307 Rev 10 Scaling Factor for West Labor (Pg 7)

	Employment Cost Indust West Region Private Industry (1989=100)	Labor Escalation Factor
May-00		
Jun-00		
Jul-00	150.8	1.67929
Aug-00		
Sep-00		
Oct-00	151.8	1.69042
Nov-00		
Dec-00		
Jan-01	154.3	1.71826
Feb-01		
Mar-01		
Apr-01	156	1.73719
May-01		
Jun-01		
Jul-01	157.6	1.75501
Aug-01		
Sep-01		
Oct-01	159.4	1.77506
Nov-01		
Dec-01		
Jan-02	160.4	1.78619
Feb-02		
Feb-02		
Mar-02		
Apr-02	162.9	1.81403
May-02		
Jun-02		
Jul-02	163.8	1.82405
Aug-02		
Sep-02		
Oct-02	165	1.83742
Nov-02		
Dec-02		
Jan-03	167.3	1.86303
Feb-03		
Mar-03		
Apr-03	169.5	1.88753
May-03		
Jun-03		
Jul-03	171.4	1.90869
Aug-03		
Sep-03		
Oct-03	172.2	1.91759

Calculation of Labor Escalation Factor - REFERENCE NUREG-1307, REVISION 10, SECTION 3.1  
Using Regional Indices SERIES ID: EDU 13402i (as of 03/05/05)  
Jan '86 adjusted to reflect NUREG 1307 Rev 10 Scaling Factor for West Labor (Pg 7)

	Employment Cost Indust	
	West Region	Labor
	Private Industry	Escalation
	(1989=100)	Factor
Nov-03		
Dec-03		
Jan-04	175.3	1.95212
Feb-04		
Mar-04		
Apr-04	176.8	1.96882
May-04		
Jun-04		
Jul-04	178.1	1.98330
Aug-04		
Sep-04		
Oct-04	179.0	1.99332
Nov-04		
Dec-04		
Jan-05	179.9	2.00334

Jan-05 is an estimate based on the difference between Jul-04 and Oct-04 added to Oct-04

## Development of Burial Escalation

Developed from NUREG-1307 Revision 10

Table 2.1 "VALUES OF B SUB-X AS A FUNCTION OF LLW BURIAL SITE, WASTE VENDOR, AND YEAR" (Summary for non-Atlantic Compact)

	PWR Burial Costs (South Carolina)	PWR Restated to 1986 = 100
1986	1.678	1.0000
1987		
1988	2.007	1.1961
1989		
1990		
1991	2.494	1.4863
1992		
1993	11.408	6.7986
1994	11.873	7.0757
1995	12.824	7.6424
1996	12.771	7.6108
1997	15.852	9.4470
1998	15.886	9.4672
1999		0.0000
2000	18.129	10.8039
2001		0.0000
2002	18.732	11.1633
2003	19.034	11.3430
2004	19.335	11.5226
2005	19.638	11.7032

Table 2.1 Note (c) From 7/1/95 through 6/30/2000 access was allowed for all states except North Carolina. Effective 7/1/2000 rates are based on whether a waste generator is or is not a member of the Atlantic Compact.

2003 has no information in NUREG-1307 Rev 10. 2003 is an estimate that is calculated by applying the average % change between 2000 and 2002 to the 2002 base.

2004 has no information in NUREG-1307 Rev 10. 2004 is an estimate that is calculated by applying the average % change between 2000 and 2002 to the 2003 base.

2005 has no information in NUREG-1307 Rev 10. 2005 is an estimate that is calculated by applying the average % change between 2000 and 2002 to the 2004 base.

**Decommissioning Cost Study for the  
Diablo Canyon Power Plant Units 1 and 2**

**February 2002**

**TLG Services, Inc.**